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HARVARD

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INDUSTRIAL PRODUCTION FIGURES

Product	1st qtr 1987	1st qtr 87 as % of 1986	March 1987 as % of 86
Electricity (b.kw.hrs)	453	104%	105%
Petroleum (inc. gas cond.)(mil. metric tons)	153	103	102
Nat. Gas (b.cu.mtr)	183	107	106
Coal (mil. metric tons)	196	101	102
Steel (mil. met. tons)	40.1	100.1	100.8
Fertilizer (mil.tons)	9.0	103	105
Metal-cutting tools (mil. rubles)	683	95	103
Robots (1000 units)	3.3	88	89
Computer Technology (bil. rubles)	1.2	106	132
Tractors (mil. hp)	13.4	96	106
Paper (mil. metric tons)	1.5	99	101
Cement (mil. metric tons)	33.4	102	102
Meat (mil. metric tons)	3.0	106%	113%
Margarine (1000 tons)	421	104	108
Watches (mils)	16.8	96	106
Radios (mils)	1.9	87	99
TV sets (mils)	1.9	83	95
Automobiles (1000s)	332	99.8	106

LIVESTOCK HERDS
(in millions)

	Apr 1 86	Apr 1 87	% Change
Cattle	97.0	97.6	100.6%
Cows	29.2	29.0	99.3
Hogs	58.8	59.6	101.3
Sheep & Goats	132.6	134.1	101.1
Chickens	779.3	777.7	99.7

FIRST QUARTER REPORT OF PRODUCTION IN THE SOVIET UNION

The economy seems to be recovering from the cold winter, but not yet from the new reforms. Thus in one of the critical industries we have been following carefully,

oil production is up 2% for the month of March 1987 compared to March 1986, and 3% for the whole quarter. Electrical energy production also seems to be recovering. In both cases the Soviets report that the plan was fulfilled in the first quarter. This is something that has not happened, at least with regard to the oil industry, for some time. This also suggests that they are recovering from the disruption that took place as a result of the accident at Chernobyl.

Steel industry production is about the same as it was in the previous year, although again the Soviets indicate that they have fulfilled the plan.

The effects of the reform, however, are not as easily dispensed with. Production in March 1987 over March 1986 is significantly below the preceding year in several industries, including turbines, robots, and in particular consumer goods such as dishes, television sets and motorcycles. There has been some recovery in some other products, such as refrigerators and automobiles. Nonetheless, the effects of both the winter and the quality rejection inspectors who have been refusing to accept poor quality merchandise is reflected in the fact that so many industries are so far below what was produced the previous year in the first quarter of year as a whole.

Gorbachev seems to be making an effort to improve food supplies. Meat production was up 13% in March and sausage production was up 7%. Purchases of cattle are also up.

LIVESTOCK HERDS

The livestock herd, except for cattle and chickens, continues to increase.

While the livestock situation seems to be improving, the cold winter may have indeed had an impact on the grain harvest. That may account in part for the Soviet purchase of American wheat. Undoubtedly the purchase was intended to improve relations with the United States, but there is also no doubt that the size of the purchases was also affected by the need to ensure an adequate supply of grain.

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